

ALLIES WILL NOT NOW FIX AMOUNT OF REPARATIONS

Total Will Be Named at a Later Conference With German Representatives Present.

DETAILS THEN DECIDED

Yearly Payments to Be Provided So Berlin Can Meet French Claim for Damages.

BOULOGNE FIGURES BASIS

Lloyd George Tells Conference It Is Useless to Name Impracticable Sum for Payment.

QUICK NAVY POLICY IS BORAH'S DEMAND

Would Avoid Possibility of Wasting \$640,000,000 on New Warships.

SUBMARINES PREFERABLE

Presents to Senate Alternatives of Disarmament or Greater Construction.

By LAURENCE HILLS.

Special Cable to THE NEW YORK HERALD, Copyright, 1921, by THE NEW YORK HERALD, New York Herald Bureau, Paris, Jan. 27.

The amount of the reparations Germany must pay will not be settled at the conference of the allied Premiers now on in Paris, but at another conference similar to that held at Spa with German representatives present. That is the outlook to-night. There the Allies will tell Germany the sum which must be paid as a whole and what the yearly payments will be, and insistence will be made that Germany put her taxes, as well as her internal business affairs, in order, so she can meet France's claims for damages.

A committee which was appointed will report along these lines to-morrow, it is said. This committee is composed of Paul Doumer, Minister of Finance, and Louis Loucheur, Minister of the Liberated Regions, for France; Baron d'Abernon, British Ambassador to Germany, and Sir Laming Worthington-Evans, for Great Britain; Col. Deluys, Minister of Finance, for Belgium; Signor Giannini, for Italy, and M. Mori, for Japan.

Warms Not to Ask Too Much.

The meeting of the Premiers this afternoon was devoted to a long explanation of the British position regarding reparations by Premier Lloyd George. He urged that the Allies demand no more in reparations than Germany was capable of paying, and that the Boulogne figures of about 100,000,000 marks should be made the basis.

The British Premier called attention to the danger to international finances and commerce if an impracticable reparations sum were demanded. It is understood that he told his conferees that he was for making Germany pay to the utmost of her ability, but that in order to accomplish this the Allies must stand solidly together.

"It is useless for us to try to get more than Germany can pay," he said. "Germany's interests, contrary to the opinion which has been expressed sometimes, are identical with those of the allied Powers, and it is to the interest of Great Britain, as well as that of France and Belgium, that the Germans should be made to pay to the last farthing. However, the question is how to make them pay."

"She could pay easily within the limits of her own country, but she cannot export her forests nor her railroads. If the Allies should take possession of the German railroads and should double the freight and passenger rates of the railways, they would get their payment in paper marks which would be worthless outside of Germany."

Can Pay Only by Exports.

The British Premier held that Germany was able to pay her reparations bill only in the exportation of goods made by her, whereas if the German exportations exceeded a certain volume the Allies would be forced to take the amount of the reparations bill.

He conceded the fact that France's loss in life in the war had been greater than that of any one of her allies and that her suffering had been more terrible than that of the others. However, Great Britain had not escaped unscathed. Indeed, she had been compelled to incur the enormous financial expenditure of any of the Powers and had spent no less than \$10,000,000,000.

Premier Brand, replying to the British Prime Minister, said that when he undertook to form the present French Government he understood he would have a free hand to do as he thought best for France's interest and that the League work was never done in a spirit of compromise. He insisted on an annuity scheme, leaving the Reparations Commission to fix the total sum to be demanded of Germany. At the same time he declared that if it became necessary later the Allies could reduce this total amount fixed by the Reparations Commission to meet Germany's actual capacity to pay.

He declared that France did not demand the impossible of Germany; that she was ready to take what Germany could reasonably pay. On the other hand, he would not agree that Germany was unable to pay. He said he was in favor of fixing six yearly payments irrespective of the final determination of the total sum.

"Why not fix these payments at this conference and at another conference inquire into Germany's capacity to pay?" he asked.

Never has the divergence of opinion between the allied Powers been so apparent as it is now, with the French

WOMAN IS KIDNAPPED; \$50,000 IS DEMANDED

Los Angeles Police Accuse Family 'Friend.'

LOS ANGELES, Jan. 27.—The disappearance Tuesday of Mrs. Gladys Witherspoon, wife of O. S. Witherspoon, president of a loan investment company, followed by demands for ransom money, was declared by detectives to-night "to be due to some one familiar with the habits of the Witherspoon household." Such a person is being sought.

This statement came after a day of running down clues that led to a half dozen parties within a radius of 100 miles.

Neighbors reported that Mrs. Witherspoon left home in an automobile with a man who told her a person injured in an accident asked that she be summoned. To-day it was said that the man who had been made and that Mrs. Witherspoon had made a personal appeal for success. Later private detectives said a written demand for \$50,000 ransom had been slipped under the door of the Witherspoons.

FLORIDA'S THROUGH TRAINS DAILY

Atlantic Coast Line R. R. Office, 1246 Broadway (32d St.). Tel. Longacre 3246.

Continued on Third Page.

Big mid-winter golf event, Pinehurst, N. C. St. Valentine's Tournament, Jan. 31st. Tour Pullman, Penn., 2:30 P. M. daily.—Ad.

\$13,883,819,826 IN SECURITIES, LITTLE CASH IN U. S. TREASURY

WASHINGTON, Jan. 27.—Completion of the first count since 1913 of cash and securities in the Treasury has revealed that the vaults of the national Government hold a grand total of \$13,883,819,826 2-3, of which \$97,410,283.02 is in cash.

The presence of the two-thirds of a cent in the figures was due to a bond of the State of Tennessee for \$1,666.66 2-3 held by the Treasury for the Secretary of the Interior as part of a number of Indian trust bonds purchased.

The last count of the Treasury's cash and securities in 1913 showed a grand total of \$1,426,422,051.48 2-3, of which the total cash was \$199,231,911.90. Sale of 100,000,000 standard silver dollars to the British Government during the war to relieve the silver famine in India, officials said, explained the major part of the difference in the cash.

KENTUCKY GUARD BEING MOBILIZED

Governor Orders Cavalry Troops Ready to Fight Night Riders.

\$500 REWARD OFFERED

Special Court of Inquiry Called—Tobacco Barn Burned in Ohio.

Special Dispatch to THE NEW YORK HERALD.

LEXINGTON, Ky., Jan. 27.—Adj.-Gen. Jackson Morris this afternoon ordered the four cavalry troops of the Kentucky National Guard to get ready for immediate duty in the field. This order was the result of a conference between Gov. Morrow and Gen. Morris on the probability of night rider raids.

Gov. Morrow instructed Gen. Morris to have his cavalrymen ready for immediate duty, and to-night orders went to troop commanders at Louisville, London, Louisville and Manchester. The Louisville and London troops already have a full complement of horses, while Manchester and Louisville are being supplied to-night.

Gov. Morrow this afternoon issued the following statement:

"I have to-day offered \$500 reward, the highest allowed by law, for the arrest and conviction of each of the persons engaged in night riding in Bath and Fleming counties January 22. A special court of inquiry will be held in Owensville January 28 and a thorough investigation will be made of night riding near Bethel."

"I have requested Circuit Judge Nevell, whose Grand Jury is in session at Flemingsburg, to cause investigation to be made of night riding at Sherburne. I have directed the Adjutant-General to have his cavalry ready for immediate action."

"I will use every power of the State to prevent midnight outrages upon its citizens. Every dollar in the State treasury and every soldier at my command is pledged to the prevention of night riding, with its outrages, burnings and intimidations."

Farmers of Robertson and Mason counties have armed themselves and are ready to repel night riders. They have, it is understood, agreed to give each other assistance in case of a raid.

GALLIPOLI, Ohio, Jan. 27.—Joseph Arrington, a tobacco farmer living near this city, reported to-day that his tobacco barn, containing 10,000 pounds of burley leaf tobacco, had been burned last night by an incendiary. Authorities believe the fire was started by persons opposed to the sale of the 1920 crop because of the prevailing low prices.

ASKED PAY WITH BONUS FOR LIVING WITH WIFE

Broker Here Accused by Woman Who'll Get Decree.

Special Dispatch to THE NEW YORK HERALD.

CHICAGO, Jan. 27.—After she testified that her husband demanded that she pay to him \$200 a month and \$1,000 at the end of each year as a bonus for living with her and had told of his acts of cruelty in the Plaza and Ritz-Carlton hotels in New York City, Joseph Sabath of the Supreme Court indicated to-day that he would grant Mrs. Helen Cobb, buyer for Marshall Field & Co., at a salary of \$15,000 a year, a decree of divorce from Norvell Cobb, manager of the brokerage branch of the American Surety Company, 63 William street, New York.

Mrs. Cobb testified that she was married May 27, 1920, in New York, separating from her husband on September 29. In this brief time, she declared, she had to leave him three times because of cruelty.

Judge Sabath asked Mrs. Cobb if she would waive alimony.

"Judge," Mrs. Cobb replied, "I waive all alimony, all property rights, and when I get my decree I am going out into the street and wave a flag."

Mrs. Cobb asked to use her maiden name, Helen French.

COURT ORDERS WOMAN TO WEAR \$10,000 GEMS

Must Keep Lustre of Pearls by Human Contact.

BRITISH RELEASE DYE-STUFFS.

LONDON, Jan. 27.—It is officially announced that restrictions on the export of dye-stuffs will be removed February 1.

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DRY LAW CHANGE ENDS ALL PERMITS TO WHOLESALERS

Palmer Asked So to Interpret Volstead Law to Stop 'Leakage.'

WITHDRAWAL HALTED

State Prohibition Director Holds Up Applications for Renewals.

ALL BOOZE TO DRUGGISTS

Ruling Would Limit Its Commercial Handling to Them Alone.

A radical change in the interpretation of the Volstead act, which would deny the issuance of liquor permits to all wholesale liquor dealers, may result from a decision now pending with Attorney-General Palmer, it was announced yesterday by Charles R. O'Connor, State prohibition director, on his return from Washington. Such a ruling would confine the legal commercial handling of liquor to druggists alone.

The importance of this step, if it is taken, becomes apparent when it is realized that practically the whole of the vast leakage which is known to have occurred since prohibition went into effect has been traced by the intelligence agents of the Internal Revenue Bureau to wholesalers' permits which were either forged or illegally obtained. As most of the basic permits issued are to wholesale liquor dealers, it is plain that a decision which ruled them out would have a considerable effect upon the actual drying power of the Volstead act.

Attorney-General Palmer has been asked by Federal Prohibition Commissioner Kramer whether the wholesale liquor dealers, whose basic permits for dealing in the contents of the bonded warehouses are now pending renewal, shall not be denied these renewals, regardless of their record with the prohibition department in the last six months.

Attorneys for the Anti-Saloon League, both in this State and in New Jersey, have held that the Volstead act permits of no interpretation by which wholesale liquor may be allowed to be sold in bonded and so incidentally have been the demands upon the prohibition department to interpret the act more strictly than Commissioner Kramer recently took the question to Attorney-General Palmer.

As a result of this situation, Mr. O'Connor said last night, all applications on the part of wholesale liquor dealers for permits have been held in abeyance.

In this district there were about 1,700 wholesale liquor dealers who held basic permits last July. That number has since been cut down to 900, and recently Mr. O'Connor has been working over the records of these permit holders, with a view to cutting down the number of renewals as low as possible. There will still be about 500 permit holders.

Mr. O'Connor said that the State's decision is favorable to the wholesale liquor dealers. His ruling is expected to be made within the next day or two.

All further withdrawals have been stopped, Mr. O'Connor said, with the exception of permits to retail druggists, who are at present being permitted to draw no more than five cases of liquor at any one time.

Jan. 27. Chief supervising enforcement agent for this district, went to Washington yesterday, and is not expected to return for several days. Mr. Chapin denies any knowledge of rumors that Samuel R. Brane, enforcement agent in charge of the Virginia-Carolina district, will soon be named to succeed him in New York.

Angelina Pansy, secretary of a liquor firm at 124 West Twenty-first street, was arraigned before United States Commissioner Hitchcock yesterday on a false liquor permit charge. He was arrested Tuesday by Enforcement Agent Fleischer, who said he found Pansy in charge of 230 cases of liquor, and that Pansy had obtained 1,000 more cases, which had not yet been located. The defendant was held in \$5,000 for a hearing.

BEAT TRUCK DRIVER, GET \$6,100 IN WHISKEY

Six Philadelphia Bandits Raid Garage on Outskirts.

PHILADELPHIA, Jan. 27.—Six bandits early to-day stole a truck load of whiskey, valued at \$6,100, from the garage of George Myers in the southern section of the city, beat the driver into insensibility, and then fled.

Later the truck was found abandoned in West Philadelphia. The whiskey was gone.

HOUSE DRY COMMITTEE QUILTS.

Members Say Volstead Act Puts Them Out of Business.

WASHINGTON, Jan. 27.—Put out of business by prohibition, the House Alcoholic Liquor Traffic Committee, which hasn't met for more than a year, is preparing to fade away like the old brass band.

Members are ready to ask for their release, agreeing with Chairman Volstead of the Judiciary Committee that the Volstead enforcement act has teeth enough to handle any liquor problem that may arise.

WOMEN JURORS URGE HANGING

Convict Man of Slaughtering Policeman—Two Weep Over Verdict.

SEATTLE, Jan. 27.—It took a jury composed of five women and seven men fifty-four minutes to-day to convict John Schmitt, alleged bandit, of murder in the first degree, and that their petition for hanging, for killing a police detective, James O'Brien, in a pistol fight last Friday.

Two of the women jurors were weeping when the verdict was read.

Schmitt declared he would rather be hanged than sent to prison for life.

Seeking a Furnished Room?

Note the Furnished Room ads. in

THE NEW YORK HERALD

ON PAGE SIXTEEN TO-DAY

The room you have been looking for at the right price may be advertised.

Bergdoll Cables Taunt to Philadelphia Paper

Special Dispatch to THE NEW YORK HERALD.

PHILADELPHIA, Jan. 27.—The Public Ledger has received the following cable from Grover Bergdoll:

"Eberbach, Baden, Jan. 27.—We captured six Department of Justice agents and threw them into prison. We are safe and sound. See the Associated Press report."

"BERGDOLL."

BERGDOLL RADERS HELD BY GERMANS

Men Who Tried to Kidnap Draft Dodger Accused of Usurping Authority.

CLAIM MILITARY ORDERS

Alleged American Credentials of Two Detectives Bear Illegible Signatures.

By the Associated Press.

BERLIN, Jan. 27.—The two alleged American detectives and their four German aids who attempted to kidnap Grover Cleveland Bergdoll and Eugene Stecher are still locked up in the town jail at Eberbach, according to a special despatch from Heidelberg.

The original warrant, which was for attempted murder and abduction, has been changed, as that charge, it is admitted, could not be upheld. The six men are now charged with illegal usurpation of authority.

They claim that they were acting under instructions from the American military authorities at Coblenz. The despatch adds they are in possession of credentials issued by the German police and civil authorities at Coblenz, which bear signatures that are not legible. Whether the documents are genuine cannot yet be proven.

Until this point is definitely established the German Government can take no action, it was stated at the Foreign Office. Baden's jurisdiction extends only to the treatment of the episode with respect to its relation to the local criminal laws.

The detectives are charged with having represented Bergdoll and Stecher as two fugitives from justice in the United States, claiming that both men have unwillingly been subjected to a series of indignities for serious criminal offenses. It is charged that this was done in order to encourage cooperation by the local German authorities, who claimed that they were to assist the abducting party if the two men sought for were merely represented as draft evaders.

Up to noon to-day no information from Coblenz was available for Americans in Berlin with regard to the attitude of the American military authorities there. The mission here also was non-communicative.

By the Associated Press.

KARLSRUHE, Germany, Jan. 27.—The attempted abduction of Grover Cleveland Bergdoll, the American draft evader, and Isaac Stecher, his chauffeur, was made the subject of an interpretation in the Baden Diet to-day. Premier Remmele informed the Deputies that both men had appeared for German citizenship and that their petition had been granted. He sharply denounced the procedure of the abduction party headed by two alleged American detectives, and stigmatized the action as a "disgraceful."

The Premier declared that the Americans were well armed and charged them with invading German territory without consulting the German authorities or the German law. "The Eberbach episode," said the Premier, "is a graphic illustration of what the outside world may permit itself to do in Germany, which apparently has no means of obtaining redress for such violation of her sovereign rights."

Referring to Bergdoll and Stecher, the Minister said that both men, whose parents were German, had refused to take up arms against Germany.

PHILADELPHIA, Jan. 27.—Eugene Stecher is under indictment here on charges of aiding in Bergdoll's escape from army guards here on May 21 last. It was alleged that Stecher, familiarly known as "Doc," made the plans for Bergdoll's flight and that he had an automobile in readiness when his employer slipped away. The fugitives fled across the country and finally eluded them at Winnipeg, Manitoba, on May 31.

Reports received by Department of Justice agents here said that Bergdoll State secured the service button and discharge papers of an American Legion man in Winnipeg and got a passport out of Canada.

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Continued on Second Page.

White Sulphur Springs.—The Greenbrier for rest and recuperation. Bookings Please.—Ad.

WHITMAN INDICTS TWO DETECTIVES IN MOTOR BRIBERY

Marty Owens, War Hero, and Horan Got \$100 Tip for Finding Stolen Car.

BAILED IN \$2,500 EACH

Prosecution Says \$450,000 Was Paid to Police for Recovering Automobiles.

CONSPIRACY IS SUSPECTED

Few Arrests of Thieves, but Owners Get Back 4,500 of 9,000 Vehicles Taken.

Two detective sergeants of the police automobile squad were indicted yesterday on evidence presented to the Grand Jury by Charles S. Whitman. They are charged with unlawfully asking and receiving a fee for the return of a stolen car.

One of them is Martin S. Owens, honor man of the department, picked by his mates to drive the police ambulance in France, later a Captain in the A. E. F. and holder of the Croix de Guerre with silver leaf and citation from Gen. Pershing for bravery under fire. The other is Thomas J. Horan.

They are accused of getting \$100 from an insurance company for the recovery of the automobile of Mrs. Emille B. Herreshoff, stolen on November 10. This, the Grand Jury says, is a violation of the Penal Law forbidding a public officer to take a reward for the performance of his duty. This, Mr. Whitman says, is also a violation of the city charter, which forbids the acceptance of a reward by a member of the police force without the consent of his Commissioner.

Mr. Whitman will ask for the indictment of other members of the automobile squad on Monday, possibly five others. He believes he is about to lay bare a conspiracy which explains why, though about half the cars lost in New York City are found, the new ones stolen are seldom caught. He was unwilling to say last night that he has any proof of collusion between thieves and policemen, or that any of the rewards paid to policemen went to any of their superiors. He feels, however, that eventually he will be enlightened on these points.

Humors of "Confessions."

The Criminal Courts Building harbored the usual rumors of "confessions." It was said that two policemen had "given the whole game away." Mr. Whitman refused to answer a question about this. The fact seems to be that one, and perhaps two, of the seven members of the force examined by Mr. Whitman in the last week made statements which are regarded as throwing light on the operations of the automobile squad and may be classified as "damaging." But nobody has said a word under oath, and Mr. Whitman has not regarded such conversations as a "confession."

About 9,000 cars were stolen in this city last year and about 4,500 recovered. For most of the recovered cars the reward was paid by insurance companies. The average reward is \$100. Mr. Whitman admitted that assuming the average for the whole 4,500 recovered automobiles was \$100, the total sum paid to the finders of cars last year was \$450,000. He thinks there is no question that a great part of this went to the seven members of the automobile squad of the police department, but his investigation has not gone far enough to show just how many of the 4,500 cars were recovered by the police and in what percentage of cases the police were not given the reward. By nature and preference a hard worker, the Governor has put in from twelve to fifteen hours a day for the last six weeks studying every phase of every public question with which he is dealing.

LENINE CODE REJECTED BY SWISS SOCIALISTS

Big Majority Interpreted as Setback to Pan-Germans.

GENEVA, Jan. 27.—Revised figures show that the Swiss Socialist party in the recent voting at Bern on the question of adhering to the twenty-one conditions laid down by the Moscow International rejected the proposition 25,324 to 8,325.

This vote is considered in official quarters as a setback for the Pan-Germans, who are alleged to have aided Nikolai Lenin, the Russian Soviet Premier, financially and morally to spread the Bolshevik propaganda throughout Switzerland.

The significant point of his discoveries, Mr. Whitman said, is that the police recover cars but do not catch the thieves.

"Do you think," he said, "that if the things stolen were recovered the police would spend their time in getting the watches and not the pickpockets?" He gave his personal opinion that one lesson for the public is that the salaries of the police should be raised and rewards from outside to any man in the department in any circumstances should be made illegal.

Marty Owens and his fellow accused, Sergeant Horan, said they could easily prove their innocence. According to Mr. Whitman their defense and that of others of the automobile squad whom he expects to indict is that they never received the rewards alleged to have been paid them. But Mr. Whitman says that he has the statement of a representative of an insurance company that the money was paid and was paid in cash by him personally and that the other cases it was paid by check, some cancelled checks now being in Mr. Whitman's possession.

Judge Rosalsky, before whom Owens

ARBITRATION IN HOMES FOR RECKLESS WIVES

Chicago Judge Has New Cure for Divorce Evil.

Special Dispatch to THE NEW YORK HERALD.

CHICAGO, Jan. 27.—An "arbitration court" in the home to check the growing divorce evil was suggested by Judge David M. Brothers of the City of Home Circuit Court to-day, whose hearing was broken by the strain of hearing a large number of divorce cases.

"Reckless wives have supplanted the old-fashioned hard-boiled wives," he said, "and the results are serious. Reckless wives become reckless mothers. The attitude and conduct of the parents, particularly the mother, are reflected in their children. Such a condition directly impairs the foundation of marriage."

Do you need a Cash Register, an Interior Decorator, Rapid Printing Stamps, etc.? Then consult the "Telephone Directory of Home and Business Needs," next to last page, to-day.—Ad.

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Hoover Relief Fund for Children Only

GENEVA, Jan. 27.—Herbert Hoover, replying to an appeal from the population of Danzig for bread and other foodstuffs, sent through the League of Nations, says the American relief stocks are solely for the children of Europe. Every possible aid, however, he adds, will be extended to the children of Danzig. Bernardo D. Attolico, Provisional High Commissioner at Danzig, informed Mr. Hoover that the daily ration in the city was insufficient.

DOCTORS ORDER MILLER TO REST

Governor Cancels Engagements for Next 3 Weeks for Retirement.

HAS THROAT INFECTION

Exhausted From Strain of New Executive Duties and Constant Work.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau, Albany, Jan. 27.

Gov. Miller left his office in the State Capitol to-day with instructions from his physicians that he must take a few days' complete rest. The Governor went to the Executive Mansion and his secretary cancelled a long series of engagements for the afternoon and the next few days.

The Governor's illness is not very serious. He gave his usual talk to the newspaper men in the Executive Mansion at 4 o'clock, coming down from his study in his lounging robe and slippers. Reclining in a big leather chair, the Governor talked New York transit for fifteen minutes. He evidently was very much tired out by the short interview.

"I did not realize that I was pretty well exhausted until the physician told me about it, and now I can see that he was right," the Governor said. He spoke in much lower than his usual voice and it was plain that he was weary.

"Of course one can't keep burning the candle at both ends forever and get away with it," the Governor commented. "But it really isn't anything at all serious. I have a little infection in my throat, which is annoying, and all I need is a few days' rest."

Commenting on the rumor in New York over the Governor's transit proposal and the plan of the city officials to organize widespread opposition, the Governor said with a laugh:

"That is not the cause of my tired feeling."

Acting under instructions from the Governor's physician, Mr. Miller's secretary cancelled all speaking engagements for the next three weeks, and directed that the Governor attend to only the most important State business for at least a week or two. Mr. Miller is not expected to return to his office until some time next week.

The physicians frankly told the Governor that he would have to conserve every ounce of his strength for a few weeks if he expected "to stay on the job." Although it was against the advice of the physicians, the Governor insisted on keeping his engagements and addressing the conference of the League of Women Voters at the Ten Eyck Hotel this evening.

The Governor has been driving at full speed for the last three months. At his best he is not particularly robust. The strain has been telling on him for the last two or three weeks. He took a little rest following the election in November, and then plunged into the work of clearing away his private affairs and getting ready for his executive duties. Since he took office there has not been a moment's lull. By nature and preference a hard worker, the Governor has put in from twelve to fifteen hours a day for the last six weeks studying every phase of every public question with which he is dealing.

REPUBLICAN LEADERS ALARMED.

Although he was worn out and compelled by his physicians to leave his office for a rest, the Governor remained calm in the face of the terrific controversy which has broken over his traction policy. The Republican leaders of the Legislature were not nearly so calm. They frankly are alarmed over the political results involved. There is every indication that the fight over the transit question will be even more bitter than the one which preceded it, as between Gov. Hughes and the party leaders.

Mayor Wallin of Yonkers appealed to the Governor to-day to extend the scope of his recommendations to take in the Westchester cities. The transit situation in Yonkers, Mount Vernon and New Rochelle is connected closely with the New York transit situation. The Mayor pleaded that the only hope of Westchester lay in the Governor dealing with the problem in connection with the New York City situation.

The Governor was impressed with the plea and said he would give it serious consideration.

Not discouraged by the rebuff met at the conference with the Governor on Wednesday, Mayor Hylan to-day sent along his bills, providing for the municipal ownership and operation of bus lines in New York City. The Governor gave notice when he met the city officials that this year he recommended passage of his bills, but the Mayor evidently intends to make a fight for them. The measures are practically the same as last year. They are being hurried through by Senator Twomey and Assemblyman McLaughlin.

"Have you seen the statement of Grover Whalen and others disputing your assertion that the water has been squeezed out of the stocks in New York?" the Governor was asked.

MARKET VALUE OF SECURITIES.

"Yes, I have seen it. I think what I said was reasonably plain unless anyone really wanted to misunderstand me. Of course, the water has not been squeezed out of the securities in the sense the curries are outstanding. I was talking about market values."

"If anybody will take the trouble to get a list of securities of various traction companies and compute their market value, it won't require any great effort to determine at once that those values are necessarily away below actual intrinsic values."

"For example, the underlying bonds issued upon public authority, the money for which concededly went into the roads, are selling for less than 50 cents

HOME RULE IN CITY, MILLER'S HOPE IN TRANSIT SOLUTION

Governor Insists That City Should Be Actual Partner and Be Represented on Directorates.

HE DISCUSSES VALUES

Securities Now So Low Companies Are Headed Either for Scrap Heap or Bankruptcy.

CALM OVER THE UPROAR

But Republican Leaders See Far-Reaching and Bitter Controversy Before Issue Is Settled.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau, Albany, Jan. 27.

Real home rule for New York City, rather than the theoretical home rule which has brought about existing transit chaos, is what Gov. Miller hopes and expects to give the city under the constructive plan of reorganization which he has presented to the Legislature.

The Governor is not disturbed or alarmed by the uproar in New York City led by Mayor Hylan and the politicians who are organizing to fight his proposition. His attitude has not changed and his position is in no way shaken by the outcry coming from the "loose thinkers" who have seized upon his scheme for political advantage.

SCRAP HEAP OR BANKRUPTCY.

"It takes some time for people to really understand such a great problem as this," the Governor said. "I am relying on the way the plan will work out to justify it."

New York must have representation in the directorates of the traction companies if the city is to have genuine home rule, the Governor said. The outcry regarding the subject of home rule is an example of the loose thinking to which he has referred, the Governor said, because there is no home rule at all.

The solution of the problem must be equitable but just and advantageous to the city, the Governor said. Answering the criticism of Mayor Hylan and other officials in New York, who disputed the Governor's statement that the water has been squeezed out of the transit stock, the Governor said that he had referred in his statements to the market values of the securities and underlying bonds, which now stand in the market at half their face value or less. The fact that companies are now heading toward either the scrap heap or bankruptcy, Mr. Miller said, and either would mean disaster. The opportunity offered to the city at this time, when the securities are so low, is the best that has ever been offered, both for the protection of the city and the general public and of the holders of the securities.

"If the roads go into bankruptcy the city can do nothing and the opportunity is gone," said the Governor.

The Governor intimated that he believed a way could be found to squeeze the water out of the original capitalization of all the transit lines, for example, the Manhattan elevated.

REPUBLICAN LEADERS ALARMED.

Although he was worn out and compelled by his physicians to leave his office for a rest, the Governor remained calm in the face of the terrific controversy which has broken over his traction policy. The Republican leaders of the Legislature were not nearly so calm. They frankly are alarmed over the political results involved. There is every indication that the fight over the transit question will be even more bitter than the one which preceded it, as between Gov. Hughes and the party leaders.

Mayor Wallin of Yonkers appealed to the Governor to-day to extend the scope of his recommendations to take in the Westchester cities. The transit situation in Yonkers, Mount Vernon and New Rochelle is connected closely with the New York transit situation. The Mayor pleaded that the only hope of Westchester lay in the Governor dealing with the problem in connection with the New York City situation.

The Governor was impressed with the plea and said he would give it serious consideration.

Not discouraged by the rebuff met at the conference with the Governor on Wednesday, Mayor Hylan to-day sent along his bills, providing for the municipal ownership and operation of bus lines in New York City. The Governor gave notice when he met the city officials that this year he recommended passage of his bills, but the Mayor evidently intends to make a fight for them. The measures are practically the same as last year. They are being hurried through by Senator Twomey and Assemblyman McLaughlin.

"Have you seen the statement of Grover Whalen and others disputing your assertion that the water has been squeezed out of the stocks in New York?" the Governor was asked.

MARKET VALUE OF SECURITIES.

"Yes, I have seen it. I think what I said was reasonably plain unless anyone really wanted to misunderstand me. Of course, the water has not been squeezed out of the securities in the sense the curries are outstanding. I was talking about market values."

"If anybody will take the trouble to get a list of securities of various traction companies and compute their market value, it won't require any great effort to determine at once that those values are necessarily away below actual intrinsic values."

"For example, the underlying bonds issued upon public authority, the money for which concededly went into the roads, are selling for less than 50 cents

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